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6 IN THE UNITED STATES DISTRICT COURT FOR THE
7 NORTHERN DISTRICT OF CALIFORNIA
8 OAKLAND DIVISION

9
10 LIUXIA WONG,)
)
11 Plaintiff,)
)
12 v.)
)
13 HARD DRIVE PRODUCTIONS, INC.)
)
14 et. al.,)
)
Defendant.)

Case No.: 4:12-CV-00469-YGR

**DEFENDANT’S NOTICE OF MOTION
AND MOTION TO DISMISS
PLAINTIFF’S AMENDED
COMPLAINT**

Judge: Hon. Yvonne Gonzalez Rogers
Date/Time: June 12, 2012, 2:00 p.m.

15 **DEFENDANT’S NOTICE OF MOTION AND MOTION TO DISMISS FOR LACK**
16 **OF SUBJECT MATTER JURISDICTION IN LIGHT OF DEFENDANT’S**
17 **COVENANT NOT TO SUE**

18 PLEASE TAKE NOTICE THAT on June 12, 2012, at 2:00 pm Defendant, Hard Drive
19 Productions, Inc. (“Hard Drive”) by and through its undersigned counsel and pursuant to Federal
20 Rule of Civil Procedure 12 and other governing law, shall appear before the Honorable United States
21 District Court Judge Yvonne Gonzalez Rogers at the Oakland Courthouse, Courtroom 1 – 4th Floor,
22 located at the Ronald V. Dellums Federal Building, 1301 Clay Street, Oakland, California 94612,
23 and present its Motion to Dismiss for Lack of Subject Matter Jurisdiction in Light of Defendant’s
24 Covenant Not to Sue, and supporting its Motion Defendant states as follows:

25 **INTRODUCTION**

26 Defendant Hard Drive Productions, Inc., (“Defendant”) by and through its undersigned
27 counsel, hereby moves to dismiss Plaintiff Liuxia Wong’s (“Plaintiff”) First Amended Complaint
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1 (ECF No. 4) for lack of subject matter jurisdiction pursuant to Federal Rules of Civil Procedure
2 12(b)(1) and 12(h)(3).

3 I. FACTUAL BACKGROUND

4 On January 30, 2012, Plaintiff filed a Complaint seeking declaratory relief against Hard
5 Drive Productions, Inc. and Does 1-50. (*Liuxia Wong v. Hard Drive Productions, Inc. et al.*, Case
6 No. 5:12-cv-00469, ECF No. 1.) The next day, Plaintiff filed an Amended Complaint. (*Id.*, ECF No.
7 4.) On February 23, 2012, this Court found the instant case, *Liuxia Wong v. Hard Drive Productions,*
8 *Inc.*, to be related to another case pending before the Court, *Hard Drive Productions, Inc. v. Doe*,
9 and ordered the instant case to be reassigned. (*Liuxia Wong v. Hard Drive Productions, Inc. et al.*,
10 Case No. 5:12-cv-00469, ECF No. 11.)

11 On February 5, 2012, Defendant moved to dismiss Plaintiff's Amended Complaint. (ECF No.
12 8.) This Motion was denied on April 13, 2012. (*Id.*, ECF No. 22.) On April 17, 2012, the Court
13 referred the instant action to Magistrate Judge Spero for settlement. (*Id.*, ECF No. 23.) The Order
14 also stayed Plaintiff's deposition in the related case until May 18, 2012.

15 On April 30, 2012, Defendant Hard Drive Productions, Inc. issued to Plaintiff Liuxia Wong a
16 comprehensive Covenant Not to Sue. (*See Exhibit A, Covenant Not to Sue, attached hereto.*) This
17 covenant states that Defendant Hard Drive Productions, Inc. will not sue Ms. Wong for infringement
18 with respect to the claims raised in Case No. 4:11-cv-05630 YGR (the "5630 Action").

19 II. LEGAL STANDARD

20 An actual controversy must exist at all stages of review, not merely at the time the complaint
21 is filed. *Chapman v. Pier 1 Imports (U.S.), Inc.*, 631 F.3d 939, 954 (9th Cir. 2011); *Bernhardt v.*
22 *County of Los Angeles*, 279 F.3d 862, 868 (9th Cir. 2002). Federal Rule of Civil Procedure 12(h)(3)
23 requires that "[i]f the court determines at any time that it lacks subject-matter jurisdiction, the court
24 must dismiss the action." *See also Chapman*, 631 F.3d at 954.

25 "An action seeking a declaration that plaintiff is not infringing on a copyright presents a case
26 or controversy where there is a 'real and reasonable apprehension' that plaintiff may be subject to
27 liability." (ECF No. 22 at 5-6) (citing *Rhoades v. Avon Products, Inc.*, 504 F.3d 1151, 1157 (9th Cir.
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1 2007). A properly executed covenant not to sue for infringement eliminates a “real and reasonable
2 apprehension” of liability and divests a trial court of subject-matter jurisdiction over related claims
3 for declaratory relief. *See Revolution Eyewear, Inc. v. Aspex Eyewear Inc.*, 556 F.3d 1294, 1297
4 (Fed. Cir. 2009), *see also Nike, Inc. v. Already, LLC*, 663 F.3d 89, 95-98 (2nd Cir. 2011);
5 *Technology Licensing Corp. v. Technicolor USA*, 800 F.Supp.2d 1116, 1121 (E.D. Cal. 2011);
6 *Paramount Pictures Corp. v. REPLAY TV*, 298 F.Supp.2d 921, 924-27 (C.D. Cal. 2004); *cf.*
7 *Gator.com Corp. v. LL Bean, Inc.*, 398 F.3d 1125, 1130-31 (9th Cir. 2005).

8 III. ARGUMENT

9 In its order denying Defendant’s motion to dismiss, the Court rejected Defendant’s
10 “protestations in its motion that it is not seeking to hold Wong liable in the 5630 Action.” (ECF No.
11 22 at 7.) The Court reasoned: 1) Defendant’s statements were “all couched in qualifying ‘not now’
12 and ‘not likely’ language”; 2) that Defendant had not “withdrawn[] its argument that Wong would be
13 vicariously liable even if the downloading had taken place without her knowledge on her internet
14 connection”; and 3) Defendant “has not pointed to any written agreement not to seek to hold Wong
15 liable for infringement.” (*Id.*) For these reasons the Court rejected Defendant’s arguments regarding
16 the absence of a case or controversy. (*Id.*)

17 Now, as described, Defendant has voluntarily gone one step further in addressing Plaintiff’s
18 liability with respect to the 5630 Action: Defendant has issued Plaintiff a comprehensive covenant
19 not to sue. (*See* Exhibit A, Covenant Not to Sue) This covenant prevents Defendant from naming
20 Plaintiff as a defendant in the 5630 Action or suing Plaintiff in any other action for direct or
21 secondary infringement liability in regards to the claims in the 5630 action. (*Id.*) Consequently,
22 Plaintiff cannot now plausibly describe any real or reasonable apprehension that she may be subject
23 to liability with respect to Defendant’s claims in the 5630 action. *Rhoades*, 504 F.3d at 1157.

24 The sole cause of action in Plaintiff’s amended complaint is for a declaration of non-
25 infringement.¹ (*See* ECF No. 4.) By covenanting not to sue Plaintiff for infringement, Defendant

26
27 ¹ Plaintiff named 50 Doe Defendants in her complaint. The Court should also dismiss Plaintiff’s complaint
28 against those Doe Defendants because Plaintiff failed to make a *single* allegation of wrongdoing against those
Doe Defendants in her complaint. In fact, Plaintiff’s attorney admitted, at the previous Case Management

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Certificate of Service

I hereby certify that a true and correct copy of the foregoing was served via the Court’s CM/ECF system on April 30, 2012 on all counsel or parties of record who are deemed to have consented to electronic service.

/s/ Brett L. Gibbs, Esq.
Brett L. Gibbs, Esq.